

House Ethics Committee Says Eilberg Broke Law

By Charles R. Babcock
Washington Post Staff Writer

Rep. Joshua Eilberg (D-Pa.) broke House rules and the federal criminal law when his law firm funneled more than \$100,000 to him while it was helping a Philadelphia hospital get a federal grant, the House ethics committee charged yesterday.

A federal grand jury in Philadelphia also has been examining the roles Eilberg and Rep. Daniel J. Flood (D-Pa.) played in getting the \$14.5 million federal grant for an addition to Philadelphia's Hahnemann Hospital in 1975.

Eilberg made national headlines early this year when David W. Marston, the Republican U.S. attorney in Philadelphia, charged that the congressman had called President Carter urging Marston's dismissal while Marston's office was investigating the hospital financing.

The committee announcement yesterday is the first step in disciplinary proceedings that could lead to censure or dismissal from the House. The case is thought to be one of the most serious the committee has ever considered, sources said.

The committee—known formally as the Committee on Standards of Of-

ficial Conduct—voted unanimously Tuesday night to file the charges after special counsel Elliott Goldstein presented them with evidence and Eilberg's executive-session response to the findings, sources said.

The statement of alleged violations said that between March 1975 and the end of 1977, Eilberg received more than \$100,000 from three affiliated law firms "under circumstances which might be construed by reasonable persons as influencing the performance of his government duties."

The congressman's actions also violated a federal law prohibiting officials from receiving additional compensation for their duties, the committee alleged.

Justice Department officials declined comment yesterday on the ethics committee action and its relevance to their parallel investigation in Philadelphia. But sources familiar with the Justice inquiry said that the federal grand jury might be holding up an indictment of Eilberg while seeking evidence of a more serious—and harder to prove—bribery charge.

A spokesman for the 57-year-old Eilberg said Eilberg's dealings with the law firm on the hospital financing were "entirely appropriate. The congressman is very confident that the process will exonerate him."



REP JOSHUA EILBERG
... his firm funneled fees, unit says

It has been reported that Eilberg's firm received some \$500,000 in legal fees for helping the hospital make applications for a \$65 million addition. Eilberg has acknowledged receiving some of that money, but said it was for work before city and state—not federal—agencies.

It is against House rules for members to be paid for representing clients before federal agencies. The committee charge said Eilberg's firm did work before the Community Services Administration.

Flood steered an amendment earmarking \$14.5 million in CSA funds—half its capital budget in 1975—for Hahnemann Hospital. He was indicted last week in Los Angeles on unrelated perjury charges involving alleged payoffs for his political influence.

Stephen B. Elko, Flood's former top aide, has said Flood expected to get \$50,000 from Eilberg's firm for his work in acquiring the CSA grant money.

Elko has been convicted of bribery in a kickback scheme involving a chain of West Coast trade schools. He has implicated Flood in the same affair, and has been cooperating with federal prosecutors on other investiga-

tions, including that of the Philadelphia hospital.

Flood was indicted last week on charges that he lied about payoffs he allegedly received in the trade school scheme.

The Justice Department investigation of the Hahnemann Hospital's fi-

nancing has proceeded quietly for several months, after first coming to public attention during the controversy over Marston's dismissal as U.S. attorney in Philadelphia by Attorney General Griffin B. Bell.

Senate hearings later established that a federal strike force in Washing-

ton, headed by John Dowd, rather than Marston, first found evidence that Flood and Eilberg were implicated in the hospital investigation.

Those hearings also indicated that Bell and Carter were not aware of any investigation of Eilberg at the time he called the White House last

November.

Eilberg has served six terms in Congress, and is running for reelection this fall. He is chairman of a key House Judiciary subcommittee that must consider the administration's ambitious plans to deal with the nation's influx of illegal aliens.

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